

19 October 2022

[REDACTED]  
Ofwat  
City Centre Tower  
7 Hill Street  
Birmingham  
B5 4UA

Dear [REDACTED]

Thank you for your letter of 29 September regarding reporting of pollution incidents.

At Northumbrian Water we take our environmental obligations and associated reporting requirements very seriously, as evidenced by our leading 4 star assessment in the Environment Agency's (EA) annual environmental performance assessment for the second year running.

Our leading performance is founded on a best practice approach to pollution incident reduction, with frequent requests to share this best practice across the industry (including at EA national workshops) in order to help other companies to improve. This is an example of our strong local and national relationships with the EA who have regularly acknowledged that NWL is a leading partner and company.

NWL reports every potential pollution event as soon as we are made aware of it, and accordingly considers it important that all companies are consistently required by the EA to report all potential events in line with its reporting guidelines as set out in 'Operator Instruction 16-02' (OI 16-02).

Our transparent approach is evidenced by our consistent strong performance on self-reporting of incidents with NWL achieving a green assessment by the EA for self-reporting for each of the last five years - in 2021 we self-reported 89% of incidents vs an industry average of 77%.<sup>1</sup>

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<sup>1</sup> The EA also noted that for NWL "Self-reporting from STW's and Pumping Stations was excellent at 100% and was above the 90% EPA limit which has been introduced for the first year associated with the latest EPA methodology revisions. NWL are a consistently good performer for self-reporting, scoring green for the last 5 years (2017-2021)."

Our robust approach to self-reporting of incidents is complemented by customer centric processes which ensure that all contacts from our customers which have the potential to identify a pollution discharge are recorded in our customer contact system and investigated by our team of operators and technical support advisors in order to determine if a discharge has occurred from any of our assets. Where such discharges are identified then these are reported to the Environment Agency and mitigation and remedial action taken to prevent further impact or discharge.

Following reporting of potential pollution, we have a well-established procedure with our Local EA where every pollution incident is reviewed at a monthly meeting at which evidence and information is assessed before being classified by the EA based on environmental impact, before any further actions are agreed. This process has been identified as best industry practice by the EA at joint workshops on pollution. These regular review meetings ensure that there is a clear understanding on the classification of all incidents to support end of year reporting via the EA's National Incident Reporting system (NIRS).

As Ofwat suggests in its letter, improvements in monitoring capability increase the ability of both companies and the EA to identify potential pollution, and it is important that reporting guidelines continue to evolve to reflect this improvement in capability in a robust yet proportionate manner.

NWL was one of the first companies to implement broad coverage of EDM spill monitors across network storm overflows. In 2010/11, consistent with our ethos for transparency, we agreed a way of working with local EA teams to notify them of any potential pollution indicated by these monitors.

The ongoing programme for installation of Flow to Full Treatment (FFT) and associated UMON3 (spill to storm tank) monitors at wastewater treatment works clearly provides a further opportunity to evolve reporting guidelines for pollution. In light of this NWL contributed to a proposal to update the EA's OI 16-02 guidance, which was first presented at the EA's Strategic Wastewater Quality and Waste Planning Group (SWQWPG) meeting on 3 March 2021, and again on 2 March 2022. The EA subsequently issued updated guidance in draft for comment. At a further meeting on 8 September 2022 the EA advised that it was withdrawing the draft amendment and was "*developing a plan of EA, Ofwat and/or water company actions to collectively improve our reporting and recording process and guidance*".<sup>2</sup> We will comply fully with any updated guidance which becomes available once this process is complete.

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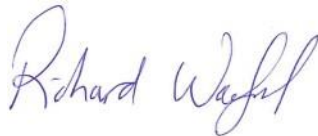
<sup>2</sup> In our view a particular complication to be resolved relates to the latest permit conditions for FFT stating that '*At least 95% of all flow passed forward readings taken in any calendar year while the overflow to storm tanks is operating must be equal to or greater than 92% of the flow passed forward limit*'. This naturally lends itself to an annual assessment of compliance but not readily to determining if individual spills are/aren't compliant and hence whether or not they should be reported as potential pollution.

While this clarification process is underway, in addition to following the processes described above, we continue to analyse new spill and flow data as it becomes available - as evidenced by our comprehensive responses to Ofwat and the EA's FFT investigations. To maximise transparency we have taken the step of advising Ofwat and the EA of any potentially non-compliant wastewater treatment sites identified and will continue to do so should any further arise in future; noting that as set out in our responses to Ofwat's investigation, we can find no evidence of any material environmental impact relating to these sites, and any potential non-compliance has now been resolved.

Finally our annual performance reporting processes incorporate independent external assurance<sup>3</sup> to ensure that our reported ODI figures for pollution fully reflect those recorded by the EA on NIRS, and hence those reported in its EPA assessment.

In summary we are confident that our performance commitment figures for pollution are fully representative of our actual performance.

Yours sincerely



**Richard Warneford**  
**Wastewater Director**

Cc Environment Agency

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<sup>3</sup> See p14 and p38 of NWL's Data Assurance Statement for 2021/22: <https://www.nwg.co.uk/about-us/nwl/how-we-are-performing/annual-performance-report/>